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(Original Signature of Member)

110TH CONGRESS
1ST SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to make geothermal heat pump systems eligible for the energy credit and the residential energy efficient property credit.

IN THE HOUSE OF REPRESENTATIVES

Mr. DOGGETT (for himself and Mr. GORDON of Tennessee) introduced the following bill; which was referred to the Committee on

A BILL

To amend the Internal Revenue Code of 1986 to make geothermal heat pump systems eligible for the energy credit and the residential energy efficient property credit.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. ENERGY CREDIT FOR GEOTHERMAL HEAT**
4 **PUMP SYSTEMS.**

5 (a) IN GENERAL.—Subparagraph (A) of section
6 48(a)(3) of the Internal Revenue Code of 1986 is amended
7 by striking “or” at the end of clause (iii), by inserting

1 “or” at the end of clause (iv), and by adding at the end
2 the following new clause:

3 “(v) equipment which uses the ground
4 or ground water as a thermal energy
5 source to heat a structure or as a thermal
6 energy sink to cool a structure,”.

7 (b) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to property placed in service after
9 the date of the enactment of this Act.

10 **SEC. 2. RESIDENTIAL ENERGY EFFICIENT PROPERTY**
11 **CREDIT FOR GEOTHERMAL HEAT PUMP SYS-**
12 **TEMS.**

13 (a) IN GENERAL.—Subsection (a) of section 25D of
14 the Internal Revenue Code of 1986 is amended by striking
15 “and” at the end of paragraph (2), by striking the period
16 at the end of paragraph (3) and inserting “, and”, and
17 by adding at the end the following new paragraph:

18 “(4) 30 percent of the qualified geothermal
19 heat pump property expenditures made by the tax-
20 payer during the taxable year.”.

21 (b) QUALIFIED GEOTHERMAL HEAT PUMP PROP-
22 erty EXPENDITURES.—Subsection (d) of section 25D of
23 such Code is amended by adding at the end the following
24 new paragraph:

1 “(4) QUALIFIED GEOTHERMAL HEAT PUMP
2 PROPERTY EXPENDITURES.—

3 “(A) IN GENERAL.—The term ‘qualified
4 geothermal heat pump property expenditures’
5 means an expenditure for qualified geothermal
6 heat pump property installed on or in connec-
7 tion with a dwelling unit located in the United
8 States and used as a principal residence (within
9 the meaning of section 121) by the taxpayer.

10 “(B) QUALIFIED GEOTHERMAL HEAT
11 PUMP PROPERTY.—The term ‘qualified geo-
12 thermal heat pump property’ means any equip-
13 ment which—

14 “(i) uses the ground or ground water
15 as a thermal energy source to heat the
16 dwelling unit referred to in subparagraph
17 (A) or as a thermal energy sink to cool
18 such dwelling unit, and

19 “(ii) meets the requirements of the
20 Energy Star program which are in effect
21 at the time that the expenditure for such
22 equipment is made.”.

23 (c) MAXIMUM CREDIT LIMITATION.—Paragraph (1)
24 of section 25D(b) of such Code is amended by striking
25 “and” at the end of subparagraph (B), by striking the

1 period at the end of subparagraph (C) and inserting “,
2 and”, and by adding at the end the following new subpara-
3 graph:

4 “(D) \$2,000 with respect to any qualified
5 geothermal heat pump property expenditures.”.

6 (d) COORDINATION WITH CREDIT FOR NONBUSI-
7 NESS ENERGY PROPERTY.—Subsection (b) of section 25D
8 of such Code is amended by adding at the end the fol-
9 lowing new paragraph:

10 “(3) DENIAL OF DOUBLE BENEFIT FOR GEO-
11 THERMAL HEAT PUMPS.—The credit allowed under
12 subsection (a) (determined without regard to this
13 paragraph and subsection (c)) with respect to any
14 qualified geothermal heat pump property expendi-
15 tures shall be reduced by the amount of any credit
16 allowed under section 25C with respect to such ex-
17 penditures.”.

18 (e) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to expenditures made after the
20 date of the enactment of this Act.